

WORKFORCE OBSERVATIONS

FOR MILWAUKEE COUNTY/WOW COUNTIES

JANUARY 2003



Starting in February 2003, reported industry employment data will use a different classification system known as NAICS. Why is this important? The broad industry nomenclature will be similar to the older system (SIC) and there will be new industrial categories as well, but the sub-industries that make up these broader sectors will change. These changes will be so significant that one will not truly be able to compare data from the new system to the old. A major challenge presented, initially, will be that the NAICS system will only code the most current data and will not re-code estimates prior to 2003 to the new nomenclature for an undetermined amount of time. This will make historic analysis difficult. This new system will not affect any of the reported labor force data.

Milwaukee/WOW Labor Force

Two of the four counties in these two WDA's showed an unemployment rate decline over the month, bucking the significant statewide increase in December. It is always uplifting news to see improvement in the labor force, especially this year when most of the news has been dismal, but the fact remains that 2002 will be remembered as a year of more unemployed and fewer people feeling secure about the economy.

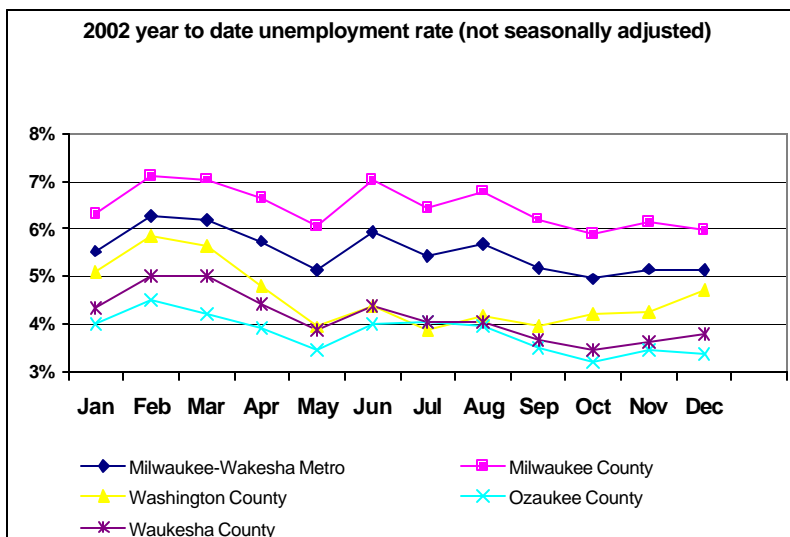
The **Milwaukee-Waukesha MSA** unemployment rate, 5.1 percent, is its highest December rate since 1986. This is not seasonally adjusted. It is seven-tenths of a percent point (rounded) higher than last December, which is the second straight year for a significant annual increase.

Milwaukee County's

unemployment rate, six percent, declined over the month two-tenths of a point. Milwaukee County usually experiences its lowest monthly unemployment rate in December and this year was no exception, but the expected dramatic decline in the unemployment rate from November did not occur (on average, five-tenths of a percentage point). Annually, the labor force has added 9,600 participant with only slightly more people employed than unemployed, thus necessitating an unemployment rate seven-tenths of a point higher than last December's. Milwaukee County's average unemployment rate in December given the 1990-2001 timeframe is 4.0 percent.

The **WOW WDA** unemployment rate registered 3.9 percent this month, up two-tenths of a point from November and six-tenths higher, annually, Ozaukee County was the only county of the three in the WDA to show a monthly unem-

ployment rate decrease (one-tenth) of a point, while Washington and Waukesha Counties both bumped upwards four-tenths and two-tenths of a point respectively. The WOW WDA is used to having December rates that are lower than November's. All three counties have more employed residents than a year ago, but unfortunately they have added proportionately more who are unemployed so unemployment rates are therefore higher, annually. The fact that the WOW counties show such large increases is particularly striking because these counties have had extremely low unemployment rates for years, and relative to the rest of the counties in Wisconsin they still do, but like the rest of the state, more people this month and year, for that matter, are looking for work.



As the winter months progress, the four counties in this area will probably see unemployment rates increase as they usually do at this time of year, even in better economic times. One must remember that the economy is not only cyclical but is also seasonal and the seasonal patterns in many counties show increasing unemployment rates in the first few months of a calendar year and then a leveling off in the

spring and summer when many industries are running at fuller capacity.

Industry

The Milwaukee-Waukesha MSA shows 1,300 fewer, total jobs than in November. Most of the loss was centered in a 2,000 job reduction in construction employment. This is a larger than normal drop over this month, but this industry's employment levels have been fairly strong this year, at least

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in a longer term view. Manufacturing decreased by 260 jobs, the second straight year for a November to December loss in this industry. Services employment decreased significantly by 700 jobs in a month that "expects" an increase. Much of this loss is most likely tied to a dampened demand for temporary workers from staffing agencies revolving around manufacturers, but this may have stemmed from employers in many industries feeling the pinch to keep staffing levels lean during a holiday season that was anticipated to be rather flat. Retail trade employment was up briskly (1,720 jobs), and employed at fairly average levels during this holiday month.

Industry employment since last December show 1,540 more jobs, net, or only about 0.2 percent growth. Services industries shows the largest gain with 4,990 jobs and both FIRE and retail trade show growth. The goods producing industries,

construction and manufacturing, both have an annual deficit, running 1,400 and 2,730 jobs fewer, respectively, than last December. Though construction has been strong in 2002, it will probably not match the record setting number it employed in 2001. All twelve months of metro area construction employment fell below year ago levels. The Services growth has been fueled by overall growth in business services employment (despite being a factor in monthly decreases as of late). Again, a good deal of this sub sector employment comes by way of temporary help agency employment. Health services employment has increased at a rate of 2.2 percent in 2002 and will undoubtedly continue to be a growth industry in this part of the state. Actually, health services employment will probably be the growth industry in every state at some point in the near future.

	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
December 2002							
Civilian Labor Force*	3,050,615	827,499	488,721	70,054	49,623	219,100	338,777
Persons Employed	2,899,977	784,968	459,512	66,757	47,952	210,746	325,455
Persons Unemployed	150,638	42,531	29,209	3,297	1,671	8,354	13,322
Unemployment Rate	4.9%	5.1%	6.0%	4.7%	3.4%	3.8%	3.9%
Total jobs of all non-farm industries**	2,856,008	865,135	558,047	46,918	39,122	221,027	307,067
Goods Producing Jobs	687,740	189,847	96,084	17,077	12,924	63,742	93,742
Service Producing Jobs	2,168,268	675,288	461,963	29,842	26,198	157,285	213,325
Construction & Mining	122,876	31,618	13,032	2,458	1,447	14,681	18,586
All Manufacturing	564,864	158,229	83,052	14,619	11,476	49,061	75,156
Transportation, Communications & Public Utilities	132,219	40,029	29,282	1,812	849	8,086	10,747
Wholesale Trade	135,755	46,272	23,813	2,285	1,520	18,653	22,459
Retail Trade	521,582	140,863	87,453	8,767	7,422	37,221	53,410
Finance, Insurance, and Real Estate	153,984	58,871	42,751	2,002	1,973	12,145	16,120
Services	797,970	293,591	211,355	9,342	10,372	62,521	82,236
All Government	426,758	95,662	67,309	5,633	4,062	18,659	28,353
Change from November 2002							
Civilian Labor Force*	-5,480	850	-290	410	20	710	1,140
Persons Employed	-16,720	950	560	80	60	260	390
Persons Unemployed	11,230	-100	-840	330	-40	460	740
Unemployment Rate	0.4%	0.0%	-0.2%	0.4%	-0.1%	0.2%	0.2%
Total jobs of all non-farm industries**	-14,010	-1,300	-510	-110	-50	-650	-810
Goods Producing Jobs	-10,980	-2,260	-980	-180	-110	-1,010	-1,300
Service Producing Jobs	-3,030	960	470	70	60	360	490
Construction & Mining	-8,160	-2,000	-820	-160	-90	-930	-1,180
All Manufacturing	-2,820	-260	-160	-20	-20	-80	-120
Transportation, Communications & Public Utilities	220	120	90	10	0	20	30
Wholesale Trade	690	320	170	20	10	130	160
Retail Trade	2,920	1,720	1,070	110	90	450	650
Finance, Insurance, and Real Estate	130	160	110	10	10	30	40
Services	-20	-750	-540	-20	-30	-160	-210
All Government	-6,970	-610	-430	-40	-30	-120	-180
Change from December 2001							
Civilian Labor Force*	69,490	15,830	9,590	1,520	760	3,950	6,240
Persons Employed	50,900	9,460	5,540	800	580	2,540	3,920
Persons Unemployed	18,590	6,370	4,060	720	190	1,410	2,320
Unemployment Rate	0.5%	0.7%	0.7%	0.9%	0.3%	0.6%	0.6%
Total jobs of all non-farm industries**	20,020	1,540	2,180	-170	-50	-420	-640
Goods Producing Jobs	-6,940	-4,130	-2,020	-360	-260	-1,500	-2,120
Service Producing Jobs	26,960	5,670	4,200	190	210	1,080	1,470
Construction & Mining	3,100	-1,400	-580	-110	-60	-650	-820
All Manufacturing	-10,040	-2,730	-1,440	-250	-200	-850	-1,300
Transportation, Communications & Public Utilities	-1,820	360	270	20	10	70	100
Wholesale Trade	-730	-880	-450	-40	-30	-350	-430
Retail Trade	3,170	760	470	50	40	200	290
Finance, Insurance, and Real Estate	2,790	580	420	20	20	120	160
Services	21,370	4,990	3,590	160	180	1,060	1,400
All Government	2,180	-150	-100	-10	-10	-30	-40

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates
Figures are rounded and may not sum to totals

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